

**CITY OF HAYWARD
and
SEIU LOCAL 1021 (MAINTENANCE, CLERICAL AND CONFIDENTIAL)**

SIDE LETTER OF AGREEMENT

RE: Adding a Provision to Provide up to a 5% Salary Savings for Fiscal Year 2011-2012 from the Bargaining Unit; Amending Salary Survey Provision; Providing a Provision to Adjust Salaries in 2012 Based on the Consumer Price Index with a Minimum and Maximum and Providing an Adjustment if the City is in a State of Economic Recovery; Amends Provision Related to Vacation Caps; and Extends Memorandum of Understanding Contract Period to April 30, 2013

The parties have met and conferred in good faith and reached agreement on all the provisions included in this Side Letter of Agreement to amend the Current Memorandum of Understanding effective May 1, 2007 to April 30, 2011. Any amendment to extend the Memorandum of Understanding contract period will serve to extend this Side Letter of Agreement to the new contract end date. If there is any conflict in language between this Side Letter of Agreement and the Memorandum of Understanding, the provisions in this Side Letter will supersede.

The following section shall be added to the Memorandum of Understanding:

Section 9.04 Employee Savings for FY 2012 (July 1, 2011 through June 30, 2012)

The bargaining units represented by SEIU Local 1021 agree to provide up to 5% in savings related to employee services (itemized salary types defined below) should the City Manager determine such employee services savings are needed. If the City Manager determines that the employee services savings are not needed by the City or the need is less than the 5% commitment provided herein, the bargaining unit commitment as stated above shall be adjusted accordingly and subject to all other provisions of this section. On or before January 1, 2011, the City will provide itemized costs for the following salary types: Regular, Incentive Pay (Differential Pay, Bilingual Pay, etc), Holiday Not Worked, Leave Paid, FICA, PERS, and WCI and the dollar amount associated with each salary type. The City will also provide the dollar amount equivalent for the bargaining unit commitment for the FY 2012 budget. Both parties agree to meet and confer prior to March 30, 2011 regarding the impact of the bargaining unit commitment.

The following sections of the Memorandum of Understanding shall be amended:

Section 9.01 Salaries (Clerical and Confidential) and Section 9.00 Salaries (Maintenance)

Effective the pay period including May 1, 2012, salaries will be adjusted by the percent change in the CPI (Consumer Price Index – all urban wage earners, not seasonally adjusted, San Francisco-Oakland-San Jose, CA, all items 1982-84 = 100, current series) for the twelve (12) month period ending February; however, any adjustment will not be less than two percent (2%) or greater than four percent (4%). Should the City Manager determine by April 22, 2012 that an economic recovery has occurred as defined below, salaries shall be adjusted 2% in addition to the above CPI adjustment, effective the pay period including May 1, 2012.

Economic recovery shall be defined as 1.) Economic uncertainty and liquidity designations are funded at Council policy levels, (10% and 5% of annual operating budget, respectively); 2.) Revenue recovery occurs and is the same or greater than sales tax revenue levels in FYE 2008 and the same or greater than property tax revenue levels in FYE 2009 as reported in the City of Hayward Comprehensive Annual Financial Report; and 3.) No economically forced lay-offs are required to balance the budget or meet the structural deficit. Should it be determined by the City Manager that an economic recovery as defined above has not occurred, the additional 2% adjustment will not be implemented and the parties agree to meet and confer on or before February 1, 2013 concerning the ability of the City to grant such increase and the timeframe for such an increase to occur. Under no circumstances shall there be any cumulative benefit or any retroactive pay for any time period in connection with the 2% adjustment, if any.

Section 9.02 Salary Survey (Clerical and Confidential) and Section 9.01 Salary Survey (Maintenance)

These sections shall be amended to provide for a salary survey as defined in said sections by February 1, 2013 instead of February 1, 2011. The City and SEIU shall share the costs equally for consultant services required to conduct such survey.


Section 12.02 Vacation Leave Allowance

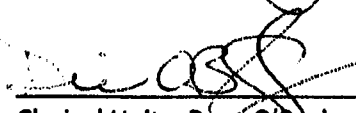
The vacation accrual caps will not be enforced through calendar year 2011. As of the end of the pay period including January 1, 2012, the caps on vacation will be reinstated pursuant to Section 12.02 of the MOU, except employees will be allowed to accrue twice the annual rate plus forty (40) hours, and the City Manager or his/her designee will allow employees who exceed this cap to use the excess vacation leave by the end of the pay period including June 30, 2013. Effective the end of the pay period including June 30, 2013, the vacation accrual cap will be reinstated pursuant to MOU Section 12.02 (twice the annual rate).

Section 20.00 Duration (Clerical and Confidential) and 18.00 Duration (Maintenance)

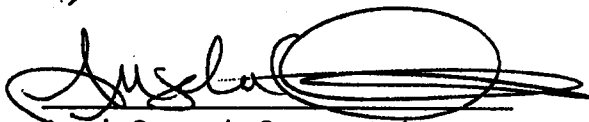
The contact shall be extended from April 30, 2011 through April 30, 2013.

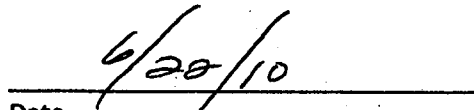
For SEIU 1021


Maintenance Unit – Gil Hesla

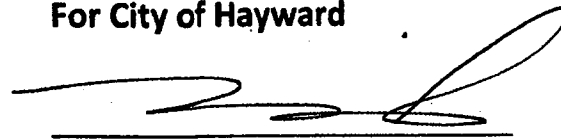

Clerical Unit – Duane O'Bayley

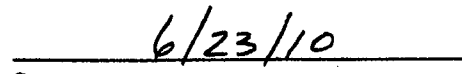

Confidential Unit-Linda Mitchell


Angela Osayande, Representative


Date

For City of Hayward


Frances David, City Manager


Date